

**ASSEMBLY BILL**

**No. 509**

**Introduced by Assembly Member Jerome Horton**

February 18, 2003

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An act to amend Sections 19596.1 and 19596.2 of, and to add Section 19596.3 to, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 509, as introduced, Jerome Horton. Horse racing: out-of-country thoroughbred races.

Existing law provides that a thoroughbred racing association or fair may distribute the audiovisual signal and accept wagers on the results of out-of-state and out-of-country thoroughbred races during the calendar period the association or fair is conducting a race meeting, provided that the total number of thoroughbred races on which wagers are accepted statewide in any given year does not exceed the total number of thoroughbred races on which wagers were accepted in 1998. Existing law permits this without the consent of the organization that represents horsemen participating in the race meeting, but subject to other limitations, including a limitation of 23 races per day, except as provided. State license fees on this wagering are provided for in existing law.

This bill would amend those provisions with the 23 race per day limitation to apply only to out-of-state races in the United States. It would add separate provisions to permit a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-country thoroughbred races on similar

conditions, without a daily limit on races, and subject to a different state license fee.

Existing law specifically provides that one of these thoroughbred racing associations may execute an agreement with any other association that conducts thoroughbred races in the southern zone to allow the other association to distribute the signal and accept wagers on out-of-country thoroughbred races. This bill would repeal that authority.

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes. This bill would authorize additional wagering, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 19596.1 of the Business and Professions
- 2 Code is amended to read:
- 3 19596.1. (a) Notwithstanding any other provision of law, the
- 4 board may authorize a harness or quarter horse association
- 5 conducting a race meeting to accept wagers on the results of
- 6 out-of-state or out-of-country harness or quarter horse races and,
- 7 with the board's approval and with the concurrence of the
- 8 horsemen's organization contracting with the association, other
- 9 designated harness or quarter horse races during the period it is
- 10 conducting the racing meeting, if all of the following conditions
- 11 are met:
- 12 (1) The authorization complies with federal laws, including,
- 13 but not limited to, Chapter 57 (commencing with Section 3001) of
- 14 Title 15 of the United States Code.
- 15 (2) Wagering is offered only within the racing inclosure and
- 16 only within 36 hours of the running of the out-of-state feature race.
- 17 (3) The association conducts at least seven live races, and
- 18 imports not more than six races on those days during a racing
- 19 meeting when live races are being run, except as provided in
- 20 subdivision (b).



(4) If only one breed of horse specified in this section is being raced on a given day, then the association conducting the live racing may import those races which would otherwise be simulcast by the association which is not racing, provided that the total number of harness or quarter horse races imported in a calendar year does not exceed the number of night races imported in 1998 after 5:30 p.m. After the usual deductions, including the portion for the racing association, the portion remaining for purses from these races shall be distributed equally for purses for harness horsemen and quarter horse horsemen.

(5) *No quarter horse or harness racing association shall accept wagers on out-of-state or out-of-country quarter horse or harness races commencing before 5:30 p.m., Pacific standard time, without the consent of any thoroughbred association or fair that is then conducting a live racing meeting in this state.*

(b) An association that is authorized to import races pursuant to subdivision (a) may, at its sole discretion, import fewer than the maximum number of harness or quarter horse races authorized in paragraph (3) of subdivision (a). For up to two races per night, for each race that is not imported under the maximum authorized by paragraph (3) of subdivision (a) on a particular night of racing, the association may add a race to the number of races allowable under the maximum authorization on another night of racing. However, no more than two races may be added under this subdivision to the number allowable on a single night, and the total number of imported races over a calendar year may not exceed the total number of imported races authorized pursuant to paragraphs (3) and (4) of subdivision (a).

SEC. 2. Section 19596.2 of the Business and Professions Code is amended to read:

19596.2. (a) Notwithstanding any other provision of law and except as provided in Section 19596.4, a thoroughbred racing association or fair may distribute the audiovisual signal and accept wagers on the results of out-of-state ~~and out-of-country~~ thoroughbred races *conducted in the United States* during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen participating in the race meeting and without regard to the amount of purses, provided that

1 the total number of thoroughbred races on which wagers are  
2 accepted statewide in any given year does not exceed the total  
3 number of thoroughbred races on which wagers were accepted in  
4 1998. Further, the total number of thoroughbred races imported by  
5 associations or fairs on a statewide basis under this section shall  
6 not exceed 23 per day on days when live thoroughbred or fair  
7 racing is being conducted in the state. The limitation of 23  
8 imported races per day does not apply to any of the following:

9 (1) Races imported for wagering purposes pursuant to  
10 subdivision ~~(d)~~ (c).

11 (2) Races imported that are part of the race card of the  
12 Kentucky Derby, the Kentucky Oaks, the Preakness Stakes, the  
13 Belmont Stakes, the Jockey Club Gold Cup, the Breeders' Cup, or  
14 the Haskell Invitational.

15 (3) Races imported into the northern zone when there is no live  
16 thoroughbred or fair racing being conducted in the northern zone.

17 (4) Races imported into the combined central and southern  
18 zones when there is no live thoroughbred or fair racing being  
19 conducted in the combined central and southern zones.

20 ~~(b) Any thoroughbred racing association described in~~  
21 ~~subdivision (a) may execute an agreement with any other~~  
22 ~~association that conducts thoroughbred races in the southern zone~~  
23 ~~to allow the other association to distribute the signal and accept~~  
24 ~~wagers on out-of-country thoroughbred races.~~

25 ~~(e) Any thoroughbred association or fair accepting wagers~~  
26 ~~pursuant to subdivision (a) shall conduct the wagering in~~  
27 ~~accordance with the applicable provisions of Sections 19601,~~  
28 ~~19616, 19616.1, and 19616.2.~~

29 ~~(d)~~

30 (c) No thoroughbred association or fair ~~shall~~ *may* accept  
31 wagers pursuant to this section on out-of-state ~~or out-of-country~~  
32 races commencing after 7:00 p.m., Pacific standard time, without  
33 the consent of the harness or quarter horse racing association that  
34 is then conducting a live racing meeting in Orange or Sacramento  
35 Counties, ~~and no quarter horse or harness racing association shall~~  
36 ~~accept wagers on out-of-state or out-of-country quarter horse or~~  
37 ~~harness races commencing before 5:30 p.m., Pacific standard~~  
38 ~~time, without the consent of any thoroughbred association or fair~~  
39 ~~that is then conducting a live racing meeting in this state.~~

1 SEC. 3. Section 19596.3 is added to the Business and  
2 Professions Code, to read:

3 19596.3. Notwithstanding any other provision of law, a  
4 thoroughbred racing association or fair may distribute the  
5 audiovisual signal and accept wagers on the results of  
6 out-of-country thoroughbred races during the calendar period the  
7 association or fair is conducting a race meeting, without the  
8 consent of the organization that represents horsemen participating  
9 in the race meeting. Out-of-country races shall be imported under  
10 the following conditions:

11 (a) A thoroughbred association or fair shall conduct the  
12 wagering in accordance with the applicable provisions of Sections  
13 19601, 19616, 19616.1, and 19616.2, except that license fees paid  
14 to the state shall be double the amount paid by a quarter horse  
15 racing association specified in subdivision (b) of Section 19605.7.

16 (b) The total number of out-of-country thoroughbred races on  
17 which wagers are allowed to be accepted statewide in any given  
18 year shall not exceed the total number of out-of-country  
19 thoroughbred races on which wagers were accepted in 1998.

20 (c) No thoroughbred association or fair may accept wagers  
21 pursuant to this section on out-of-country races commencing after  
22 7:00 p.m., Pacific standard time, without the consent of the harness  
23 or quarter horse racing association that is then conducting a live  
24 racing meeting in Orange or Sacramento Counties.

